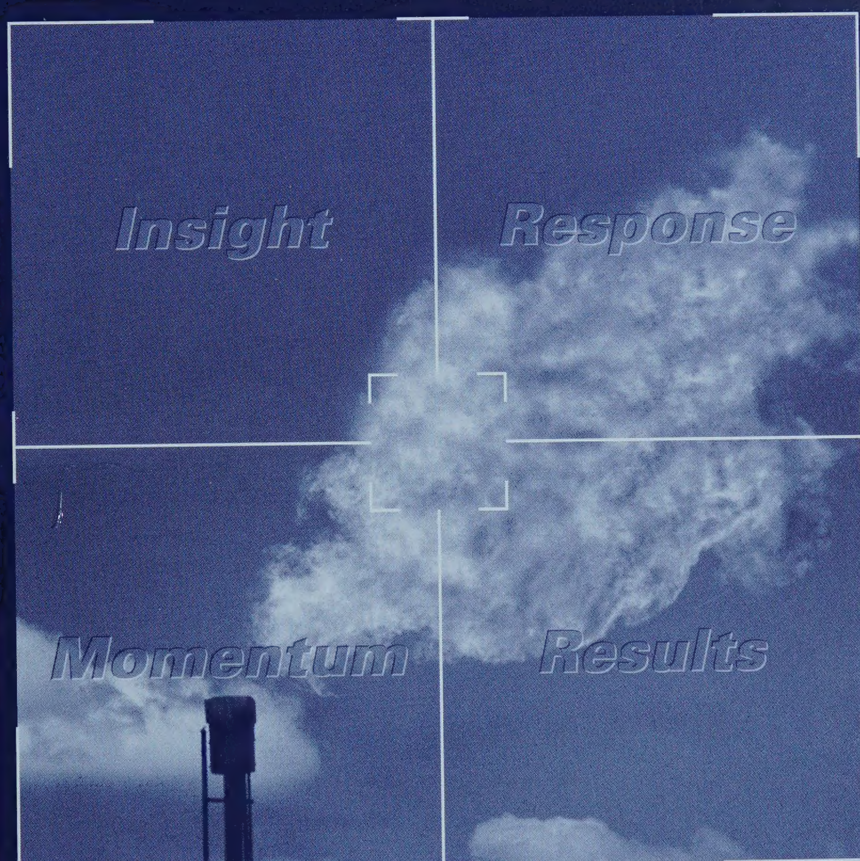
International Gryphon Resources Inc.



1998 Annual Report

Corporate Profile

International Gryphon Resources Inc. is a Calgary based, emerging Canadian oil and gas Company actively engaged in the exploration, production and development of crude oil, natural gas and natural gas liquids in western Canada. Common shares of the Company are listed for trading on the **Alberta Stock Exchange,** under the symbol **"INK"**.

Annual Meeting

The Annual Meeting of the Shareholders of **International Gryphon Resources Inc.** will be held on Wednesday, May 19, 1999 at 3:00 p.m., Calgary time, in the Centennial Room, **Sandman Hotel**, 888 - Seventh Avenue S.W., Calgary, Alberta. All Shareholders are invited to attend. Those Shareholders unable to attend the Meeting are requested to complete and return their Proxy to:

Alberta Compliance Services Inc.
Suite 602, 304 - Eighth Avenue S.W.,
Calgary, Alberta T2P 1C2.

About the Cover

The cover of this year's annual report reflects the Company's strategy to take advantage of todays stable gas prices by focusing on natural gas production. The words **Insight, Response, Momentum** and **Results** describe our efforts in realizing this goal.

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Corporate Highlights

Fiscal Year Ended December 31	1998	1997	% Change
Operating			
Average Daily Production			
Crude Oil & NGLs (Bbls/d)	**104**	104	Nil
Natural Gas (Mcf/d)	**414**	308	34
Total (BOE/d)	**145**	135	7
Exit Daily Production			
Crude Oil & NGLs (Bbls/d)	**78**	102	(23)
Natural Gas (Mcf/d)	**875**	300	292
Total (BOE/d)	**165**	132	25
Average Selling Price			
Crude Oil & NGLs ($/Bbl)	**$ 15.11**	$ 23.40	(35)
Natural Gas ($/Mcf)	**$ 2.09**	$ 1.79	17
Average Netback ($/BOE)	**$ 8.88**	$ 15.00	(41)
Land Holdings			
Gross developed acres	**33,352**	38,180	(12)
Net developed acres	**5,884**	3,813	54
Gross undeveloped acres	**23,178**	20,065	16
Net undeveloped acres	**9,793**	3,039	322
Reserves (Proved and 50 percent Probable)			
Crude Oil & NGLs (MBbls)	**297.4**	243.0	22
Natural Gas (Mmcf)	**6,020**	3,255	85
Total (MBOE)	**899.4**	568.5	58
Present Value of Reserves (Proved and 50 percent Probable)			
[$ thousands]			
Discounted before Taxes at 10%	**8,633**	4,401	96
Discounted before Taxes at 15%	**7,202**	3,701	95
[$ thousands, except per share and common share amounts]			
Financial			
Petroleum and Natural Gas Revenues	**923.1**	1,188.9	(22)
Net Loss	**221.2**	482.8	54
Per Share	**0.016**	0.036	55
Cash Flow from Operations	**(47.2)**	260.3	(118)
Per Share	**Nil**	0.02	–
Capital Expenditures	**932.7**	1,032.9	(10)
Total Assets	**4,396.5**	4,354.1	Nil
Long-Term Debt	**2,510.0**	Nil	–
Shareholders' Equity	**321.1**	542.4	(41)
Common Shares Outstanding			
End of period	**13,606,602**	13,606,602	Nil
Weighted Average	**13,606,602**	13,295,643	2

Report to the Shareholders

*Dynamic and successful describe 1998 for **International Gryphon Resources Inc.** Increased reserves and production; further strengthening of the Company's position at Golden Spike; participation in a six million cubic feet per day natural gas well in a new area; refinancing of long term debt; and enhanced value for the Shareholders were all exciting accomplishments in the face of often adverse circumstances.*

"Dynamic and successful describe 1998 for International Gryphon Resources Inc."

The Company outlined its strategic plan in last years 'Letter to Our Shareholders'. In 1998, that strategy continued to be implemented and, as a result, substantial progress was made. International Gryphon now has a solid platform from which to generate sustained growth and profitability. The Company looks to maintain this momentum by:

- participating in quality drilling prospects;
- making value-added acquisitions;
- optimizing assets;
- increasing ownership and operatorship; and,
- forming strategic alliances.

Operating highlights

The record of impressive milestones the Company attained in the twelve months ending December 31, 1998, included:

- a 7 percent increase in the average production rate to 145 BOE per day from 135 BOE per day;
- a 25 percent increase in the exit production rate to 165 BOE per day from 132 BOE per day;
- a 58 percent increase in the proven and 50 percent probable reserves to 899,400 BOE from 568,500 BOE;
- a 188 percent increase in the proven and 50 percent probable natural gas reserves to 6.0 Bcf from 3.2 Bcf, increasing the Company's balance of natural gas reserves to 67 percent from 57 percent of the total;
- finding costs of $2.48 per BOE;
- a 229 percent increase in net land position to 15,677 acres from 6,852 acres;
- continued development of the Golden Spike area;
- participation in a 6 MMcf per day natural gas well and successful follow up well at Capron, establishing a second key area;
- increased value through continuous property rationalization.

Ben Anderson
President and CEO

Consistent with its strategy, the Company added value by drilling three new wells in 1998, all of which were natural gas successes. International Gryphon operated one well, at Golden Spike, that is prospective in multiple zones and has demonstrated gross productivity in excess of 150 BOE per day. The Company also participated in two wells at Capron in southeast Alberta which have combined capability of more than 6 MMcf per day, on a gross basis. The successes achieved in both of these key areas buoyed confidence in the Company's exploration abilities.

Financial Highlights

International Gryphon's mandate is to continue building a solid asset base. Consistent growth through the addition of high grade petroleum and natural gas reserves will enhance cash flow and Shareholder value. The Company's 1998 adjustment of its asset base in favour of natural gas and natural gas liquids helped it to achieve:

- a 95 percent increase in the value of the proven and 50 percent probable reserves to $7.20 million from $3.70 million (each discounted at 15 percent and including ARTC);
- an increase in net asset value to $0.29 per share from nil per share;
- an increase in its credit facility;
- refinancing of the Company's long term debt resulting in savings of more than $263,000 and extending repayment to September, 2001.

Although International Gryphon can claim commendable advances in 1998, its financial results languished due to the effect of low crude oil prices and the Company's difficulty in procuring cost effective processing facilities for its Golden Spike production. Revenue from sales of production totaled $923,120 for 1998, which resulted in the Company experiencing a net loss of $221,240 or $0.016 per share on cash flow of ($47,243) or nil per share. During the period, International Gryphon made $932,689 in capital expenditures and had, at year end, a working capital deficiency of $583,805. Reversing these trends will be the Company's primary objective as it steps up efforts to maximize production and cash flow in 1999.

Outlook

Management will continue to implement the Company's strategy in 1999. The pragmatic and prudent development of Golden Spike and Capron, combined with optimization of all assets, will continue to be the Company's priority in the upcoming term. Exercising judicious cost control together with a focus on efficiency will improve reserves, production and the financial capability of the Company. International Gryphon expects to take advantage of business opportunities that will come available if crude oil prices continue to languish. Early in the upcoming year International Gryphon intends to retain the services of an experienced oil and gas geologist to complement its technical team. The Company believes that the direct result of carrying out these initiatives will be increased Shareholder value.

"The Company looks enthusiastically to the future."

While International Gryphon expects the demand for natural gas to continue to make it an attractive commodity, the Company also expects that the price for crude oil will remain below its intrinsic value for the balance of 1999. Although the Company has every confidence that its 1999 objectives will be achieved, it is aware that commodity prices, availability of third party facilities, the ability to access capital markets and new capital are variables which will have an effect on the Company's profitability in the upcoming year. International Gryphon will continue to work hard to meet all challenges.

Thank you to each of our Shareholders, whose patience and continued support has enabled International Gryphon to laud 1998 as a dynamic and successful year. Along with the seasoned counsel of our Board of Directors and the exemplary effort of those individuals who contribute each day, the Company looks enthusiastically to the future.

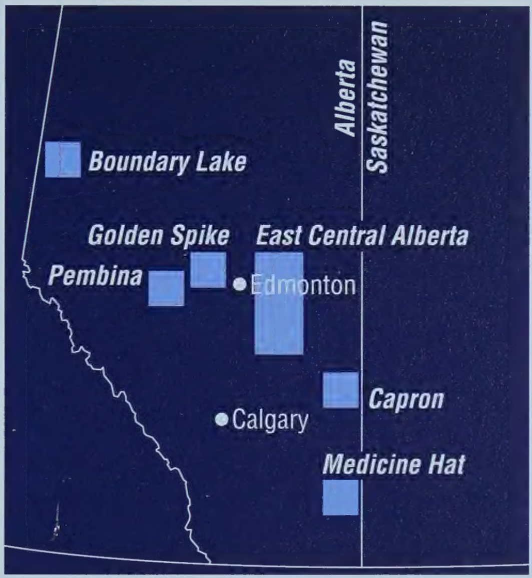
On behalf of the Board of Directors,

Ben Anderson
President and Chief Executive Officer
March 12, 1999

Project Review

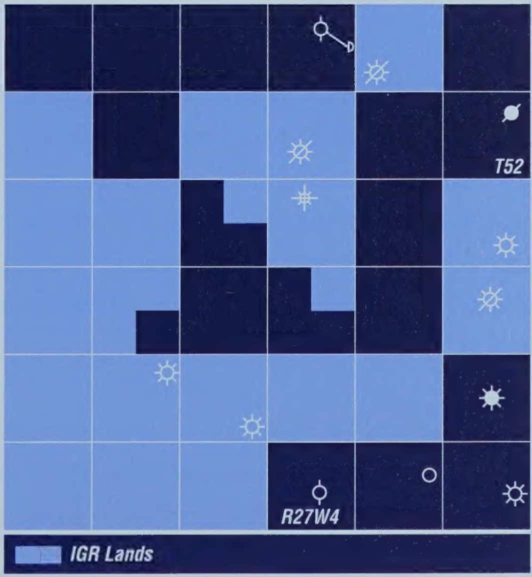
During 1998, the Company participated in the drilling of 3 gross wells (0.95 net wells) all of which were completed as natural gas producers. These successes, when combined with production acquisitions and continual optimization of assets, have the potential to significantly improve the Company's future production, cash flow and ultimately, Shareholder value.

Overview



International Gryphon's assets are widely distributed throughout Alberta. The Company's mandate is to consistently upgrade these assets through development and consolidation. In 1998, this was accomplished through drilling and acquisitions in two key areas and by the divestiture of interests in six mature, under performing or non-key areas. Successes at **Golden Spike** and **Capron** had the greatest impact on the Company's 1998 results. Golden Spike continued to receive the majority of attention as the Company increased its land, reserves and production base on this prolific trend. At Capron, in southeastern Alberta, significant growth in natural gas reserves and production were the result of International Gryphon participating in the drilling of two successful wells.

Golden Spike



Golden Spike Area

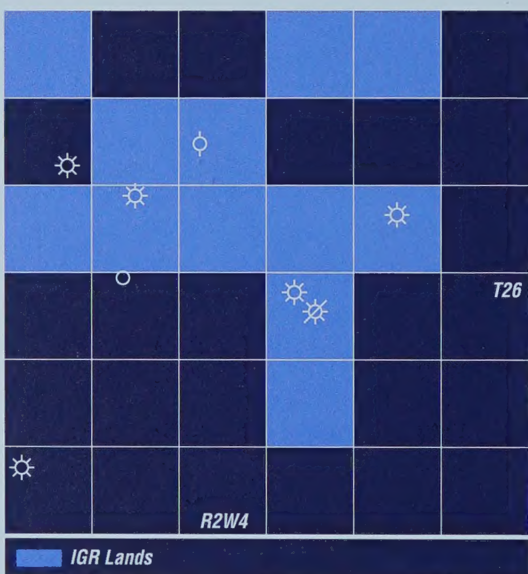
Golden Spike was the focus of International Gryphon's operations in 1998. The year ended on a high note with the Company successfully drilling a 75 percent working interest, liquids rich, natural gas well which is prospective in multiple zones. On an extended flow test, the target formation demonstrated the capability to add more than 100 BOE per day to the Company. This well is scheduled to start production in the second quarter of 1999.

In 1998, several key acquisitions in the Golden Spike area enabled International Gryphon to strengthen its position. These acquisitions included exploratory acreage, reserves and existing wellbores capable of production. Combining these additions with the Company's drilling success should add more than 175 BOE per day to net production.

International Gryphon operates over 13,000 gross acres at Golden Spike, holding working interests ranging from 35 to 100 percent. The Company will continue to commit a considerable portion of its resources to the ongoing exploration and development of this play.

Processing capacity for production from the Golden Spike area will be obtained from nearby facilities. Currently under expansion, these facilities are expected to be available during the third quarter of 1999. In the interim the Company intends to commence production from the area by connecting to an existing sales pipeline.

Capron



Capron Area

Drilling at Capron proved to be enormously successful and solidly impacted International Gryphon's production last year. The Company participated in a natural gas discovery that demonstrated productive capability of 6 MMcf per day. This was followed by a second well which identified natural gas accumulations in another formation. Both wells were placed on stream in the third quarter of 1998, adding 60 BOE per day to the Company's production.

The Company has a 10 percent working interest in some 7,680 acres at Capron. The drilling success that was experienced last year was extremely encouraging and has prompted further technical review. Pending the results of this work, additional drilling is expected by mid-year.

The Capron play is attractive because of its close proximity to established pipeline and facilities infrastructure. Successful wells can be quickly and cost effectively put on stream thereby maximizing returns.

"The Company's production rate exiting the year rose to 165 BOE per day from 132 BOE per day in 1997, a 25 percent increase."

Other Areas

International Gryphon considers development of its assets in other areas on an ongoing basis. New business opportunities are pursued only after rigorous scrutiny has determined that they will add value to the Company.

Production and Reserves

For the year, the Company achieved increases in both average daily and exit daily production rates, as compared with 1997. The average daily production rate increased 7 percent to 145 BOE per day versus 135 BOE per day in 1997. In 1998, average crude oil and NGLs production stood at 104 barrels per day while natural gas production stood at 414 Mcf per day. The Company's production rate exiting the year rose to 165 BOE per day from 132 BOE per day in 1997, a 25 percent increase. This was composed of 78 barrels per day of crude oil and NGLs and 875 Mcf per day of natural gas.

The price the Company realized last year for crude oil and NGLs averaged $15.11 per barrel, some 35 percent lower than the previous year's $23.40 per barrel. In contrast, the average price that was received for natural gas increased by 17 percent to $2.09 per Mcf from $1.79 per Mcf a year earlier. Though the Company improved its per BOE operating cost, low crude oil prices resulted in a decrease of its 1998 netback to $8.88 per BOE as compared with 1997's $15.00 per BOE.

At 1998 year-end, International Gryphon recorded proven and probable (risked at 50 percent) reserves of 899,400 BOE, an increase of 330,900 BOE or 58 percent.

"58 percent increase in proven plus 50 percent probable reserves; 95 percent increase in net present value."

The following table outlines International Gryphon's consolidated, crude oil, natural gas and NGLs reserves and the present value of the future cash flow of these reserves:

	Crude oil & NGLs	Natural Gas	Net Present Value* ($ thousands)		
Reserves Category	Net MSTB	Net MMcf	@ 10%	@ 15%	@ 20%
Proven producing	127.0	775	2,131	1,881	1,687
Proven non-producing	96.6	3,264	3,791	3,096	2,595
Proven undeveloped	–	569	479	359	274
Total Proven	223.6	4,608	6,401	5,336	4,556
Probable additional	147.4	2,824	4,464	3,731	3,176
50 percent probable	73.8	1,412	2,232	1,866	1,589
Total Proven and Probable	371.0	7,432	10,865	9,067	7,732
Total Proven and 50 percent Probable	297.4	6,020	8,633	7,202	4,765

* *including ARTC*

Land

Last year the Company continued to invest in its future. The Company now holds an interest in 56,530 gross acres. An impressive 229 percent increase brought the Company's net land holdings to 15,677 acres from 6,852 acres. Of this total, 8,371 net acres are at Golden Spike. At Capron, the Company holds an interest in 768 net acres. The Company's other lands are spread throughout Alberta.

Auditors' Report

To the Shareholders of
International Gryphon Resources Inc.

We have audited the balance sheets of International Gryphon Resources Inc. as at December 31, 1998 and 1997 and the statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1998 and 1997 and the results of its operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Buchanan Barry · Co

Buchanan, Barry & Co.
Chartered Accountants

March 10, 1999
Calgary, Alberta

[dollar amounts]

Years ended December 31,	1998	1997
Assets		
Current		
Cash	**$ –**	$ 483,093
Accounts receivable	**637,479**	340,979
Alberta Royalty Tax Credit receivable	**35,486**	38,918
Prepaid expenses	**37,936**	18,182
	710,901	881,172
Other Receivables *[Note 2]*	**80,000**	80,000
Capital Assets *[Note 3]*	**3,574,605**	3,317,042
Deferred Charges *[Note 4]*	**30,993**	75,896
	$ 4,396,499	$ 4,354,110
Liabilities		
Current		
Bank indebtedness *[Note 5]*	**$ 757,704**	$ –
Accounts payable and accrued liabilities	**537,002**	840,272
Current portion of long-term debt	**–**	2,510,000
	1,294,706	3,350,272
Long-term Debt *[Note 6]*	**2,510,000**	–
Future Site Restoration and Abandonment	**22,651**	19,456
Future Income Taxes	**248,000**	442,000
	4,075,357	3,811,728
Shareholders' Equity		
Share Capital *[Note 7]*	**1,278,299**	1,278,299
Deficit	**(957,157)**	(735,917)
	321,142	542,382
	$ 4,396,499	$ 4,354,110

Approved on behalf of the Board:

B. Anderson

Ben A. Anderson

Director

James W. Owen

Director

[dollar amounts]

Years ended December 31,	1998	1997
Revenue		
Petroleum and natural gas sales	**$ 923,121**	$ 1,188,934
Crown royalties	**(51,119)**	(121,520)
Other royalties	**(56,421)**	(76,678)
	815,581	990,736
Royalty tax credits	**31,058**	66,385
	846,639	1,057,121
Expenses		
Amortization - capital assets	**289,264**	710,203
Amortization - deferred charges	**78,733**	99,456
General and administrative (Schedule)	**304,524**	162,718
Interest on long-term debt	**254,138**	276,100
Production	**335,220**	357,975
	1,261,879	1,606,452
Operating Loss	**415,240**	549,331
Future Income Tax (Recovery) *[Note 8]*	**(194,000)**	(66,548)
Net Loss for the year	**221,240**	482,783
Deficit, beginning of year	**735,917**	253,134
Deficit, end of year	**$ 957,157**	$ 735,917
Loss Per Share		
Basic *[Note 9]*	**$ 0.016**	$ 0.036

[dollar amounts] Years ended December 31,	1998	1997
Operating Activities		
Net loss for the year	$ (221,240)	$ (482,783)
Adjustments to operations not involving cash		
Amortization of capital assets	289,264	710,203
Amortization of deferred charges	78,733	99,456
Future income tax recovery	(194,000)	(66,548)
	(47,243)	260,328
Change in non-cash working capital items		
Accounts receivable	(296,500)	(97,281)
Alberta Royalty Tax Credit receivable	3,432	82,926
Prepaid expenses	(19,754)	(18,182)
Accounts payable and accrued liabilities	(303,270)	491,435
	(663,335)	719,226
Investing Activities		
Proceeds from disposition of resource properties	398,925	234,750
Acquisition of resource properties	(822,171)	(849,510)
Acquisition of production equipment	(106,133)	(154,504)
Proceeds from disposition of furniture and equipment	–	3,000
Acquisition of furniture and equipment	(4,385)	(28,906)
Abandonment costs incurred	(9,867)	(10,788)
	(543,631)	(805,958)
Financing Activities		
Issue of common shares	–	50,000
Debenture renewal costs	(33,831)	–
Advances for loan receivable	–	(50,000)
	(33,831)	–
Net Change in Cash	(1,240,797)	(86,732)
Cash, beginning of year	483,093	569,825
Cash (Deficiency), end of year	$ (757,704)	$ 483,093

Note 1 SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Petroleum and Natural Gas Properties and Production Equipment

The Company follows the full-cost method of accounting for oil and gas activities whereby all costs associated with the acquisition of, the exploration for, and the development of oil and gas reserves are capitalized. Such costs include lease acquisition costs, geological and geophysical expenditures, lease rentals on non-producing properties, costs of drilling both productive and non-productive wells, equipment costs, and general and administrative costs directly related to the exploration and development activities. Other general and administrative costs and interest charges are expensed.

The carrying value is subject to a ceiling test calculation which limits it to the recoverable amount as determined by estimating the present value of future net revenue from proven properties based on current prices, costs and the value of unproven properties at the lower of cost or net realizable value.

Amortization of these costs is calculated on the unit of production method based on estimated proven reserves as determined by independent engineers.

Proceeds from disposal of properties are applied as a reduction of the costs of the remaining assets unless the disposal represents a significant portion of the company's total reserves, in which case a gain or loss on disposal is recorded.

Furniture and Office Equipment

Furniture and office equipment are recorded at cost. Amortization is provided on the declining balance method using annual rates from 20% - 50%.

Joint Operations

Substantially all of the exploration, development and production activities of the Company are conducted jointly with others and, accordingly, these financial statements reflect only the Company's proportionate interest in such activities.

Deferred Charges

Deferred charges are recorded at cost. Amortization is provided on a straight line basis over the term of the debentures.

Future Site Restoration and Abandonment

The Company estimates future site restoration and abandonment costs for its petroleum and natural gas properties. The costs are management's best estimate of the future site restoration and abandonment costs based on current legislation and industry practices. Total estimated costs are being provided for on a unit of production basis. The annual provision is included in amortization expense and actual site restoration and abandonment costs are charged to the provision account as incurred. As at December 31, 1998 the estimated future site restoration costs to be accrued over the life of the proven reserves is $250,000.

Measurement Uncertainty

The amounts recorded for amortization of petroleum and natural gas properties and production equipment and the provision for future site restoration and abandonment costs are based on estimates. The ceiling test calculation is based on estimates of proven reserves, production rates, oil and natural gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of changes to estimates in future periods could be material.

Income Taxes

Future income taxes are the amounts of income taxes arising from temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet. The taxable amount that will result when the carrying amount of the asset or liability is recovered or settled is measured using current income tax rates and income tax laws.

Note 2

OTHER RECEIVABLES

	1998	1997
Promissory notes, non interest bearing, due from former officers and directors, unsecured	**$ 30,000**	$ 30,000
Loan receivable, interest free with no fixed terms of repayment, unsecured	**50,000**	50,000
	$ 80,000	$ 80,000

Note 3

CAPITAL ASSETS

	Cost	Accumulated Amortization	1998 Net Book Value	1997 Net Book Value
Petroleum and natural gas properties	$ 3,916,987	$ 1,069,883	**$ 2,847,104**	$ 2,613,585
Production equipment	912,243	195,067	**717,176**	674,746
Furniture and office equipment	58,191	47,866	**10,325**	28,711
	$ 4,887,421	$ 1,312,816	**$ 3,574,605**	$ 3,317,042

The provision for amortization for 1997 includes a ceiling test write-down of $301,000. No provision was required for 1998.

Note 4

DEFERRED CHARGES

	1998	1997
Deferred charges	**$ 33,811**	$ 292,618
Accumulated amortization	**(2,818)**	(216,722)
	$ 30,993	$ 75,896

The 1998 balance relates to costs of the renegotiation of the long-term debt. The 1997 balance related to the original issue of the convertible debentures and has been fully amortized.

Note 5

BANK INDEBTEDNESS

The company has a revolving line of credit agreement, up to $1,600,000 with the Alberta Treasury Branches with interest at prime plus 1.25%. The loan is secured by a debenture on certain petroleum and natural gas properties and a general security agreement covering all present and future assets. The balance of the loan at December 31, 1998 was $725,000 (1997 - Nil).

Note 6

LONG-TERM DEBT

During the year the company renegotiated the terms and repayment of its long-term debt. The result of this renegotiation was to lower the interest rate on its convertible debentures from 11% to 7.5% and extend the due date to September 30, 2001. The debentures are convertible at the option of the holder at $0.18 per common share after September 30, 1998. The Company may only redeem the debentures after September 30, 1998 for the principal plus unpaid interest if the weighted average price of shares traded on a public stock exchange in Canada has not been lower than $0.25 during the 20 consecutive trading days ending not more than five trading days immediately preceding the date on which the Corporation gives notice of such redemption. The debentures are secured by a floating charge on all the assets of the company which has been subordinated to the company's bank.

Note 7

SHARE CAPITAL

(a) Authorized

Unlimited number of
- Common voting shares
- First preferred shares
- Second preferred shares

The first and second preferred shares may be issued in one or more series. The directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

(b) Issued

	Number of Common Shares	Amount
December 31, 1996	13,106,602	$ 1,228,299
Issued on private placement	500,000	50,000
December 31, 1997 and 1998	13,606,602	$ 1,278,299

Stock Options

The Company has established a stock option plan for the benefit of directors, officers, key employees and consultants of the Company. At December 31, 1998 the following options were outstanding:

Date Issued	No. of Shares	Exercise Price per Share	Expiry Date
March 15, 1994	75,000	$ 0.10	March 15, 1999
April 27, 1995	75,000	$ 0.12	April 27, 2000
November 18, 1996	125,000	$ 0.10	October 31, 2001
August 15, 1997	250,000	$ 0.10	August 15, 2002

Note 8 INCOME TAXES

At December 31, 1998 the Company has the following balances available to be claimed against future income for tax purposes:

	1998	1997
Non-capital losses carry forward	**$ 795,100**	$ 639,000
Canadian exploration expense	**1,172,500**	664,000
Canadian development expense	**419,700**	300,000
Undepreciated capital cost	**325,900**	297,000
Share issue costs	**–**	20,300
	$ 2,713,200	$ 1,920,300

The non-capital losses expire as follows:	2000	$ 222,000
	2001	231,000
	2002	120,000
	2003	16,000
	2004	206,100
		$ 795,100

The income tax benefit of these items has been reflected in determining the liability for future income taxes.

Note 9 LOSS PER SHARE

Basic loss per share is based on the weighted average number of shares outstanding during the year, which was 13,606,602 (1997 -13,295,643).

Note 10 COMMITMENTS

The Company is committed under an operating lease for its premises with the following minimum lease payments to the expiration of the lease on July 31, 2001.

1999	$ 27,472
2000	27,472
2001	16,026
	$ 70,970

Note 11 RELATED PARTY TRANSACTIONS

Directors and officers were paid salaries totalling $80,000 in 1998 (1997 - $30,000).

Note 12 UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather that four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date.

The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

Corporate Information

Directors and Officers

Ben A. Anderson
Director, President &
Chief Executive Officer
Calgary, Alberta

James W. Owen
Director
Vancouver, British Columbia

James W. Surbey
Director
Calgary, Alberta

Lyndon J.E. Westerberg
Director
Southlake, Texas

Corporate Headquarters

International Gryphon Resources Inc.
Suite 1010, 900 Sixth Avenue S.W.
Calgary, Alberta, Canada T2P 3K2
Tel: [403] 266.2002, Fax: [403] 266.2218

Auditors

Buchanan, Barry & Co.
Calgary, Alberta

Banker

Alberta Treasury Branches
Calgary, Alberta

Evaluation Engineers

Reliance Engineering Group Ltd.
Calgary, Alberta

Legal Counsel

Howard Mackie
Calgary, Alberta

Evans Higa Burgess
Calgary, Alberta

Registrar and Transfer Agent

Inquiries regarding change of address, registered shareholdings, stock transfers or lost certificates should be directed to:

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Investor Relations Information

Alberta Stock Exchange
Symbol: INK

Contact: Ben Anderson
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Abbreviations

Bbls	barrels
Bbls/d	barrels of oil per day
MBbls	thousands of barrels
BOE	barrels of oil equivalent (10 mcf = 1 BOE)
BOE/d	barrels of oil equivalent per day
MBOE	thousands of barrels of oil equivalent
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
Mmcf	million cubic feet
MSTB	thousand stock tank barrels
NGLs	natural gas liquids

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